

Tax Increment Financing (TIF) District Advisory Board

9.18.08 Meeting minutes

BOS Meeting room

Present:

John McCormack, Chairman
Al Hicks
Gary Daniels
George Infanti
Mike Trojano
Tom Wilson

Excused:

Dave Roedel
Tom Brennan

Bill Parker, Director Community Development/TIF Administrator
Jacob Akers and Jim DeStefano, Grubb & Ellis/Coldstream RE
Janet Langdell, Planning Board Chairman
Shirley Wilson, Recording secretary

John McCormack called the meeting to order at 7:30AM.

Review of Agenda & Minutes

J. McCormack welcomed Katie Chambers, new business administrator for the school district. Katie is transitioning in for Mike Trojano who will be retiring at the end of the month. B. Parker added that Katie was instrumental in setting up the TIF district.

J. McCormack reviewed the agenda and highlighted sections of the previous meeting's minutes. B. Parker confirmed through brief communication with Jack Dugan that the MEDC will become active in Milford.

G. Infanti made a motion to accept the minutes as written.

Brox Property Update:

Jacob Akers, Grubb & Ellis

J. Akers summarized the 2Q 2008 Industrial Market Trends Boston report. The report showed that industrial leasing, purchasing and building are on the light side compared to the trends we've seen in the past, but fairly level in terms of lease rates and vacancies. Although it doesn't really apply in terms of our developable land, it does give us a better overall picture of the Greater Boston area. While there is a 13-15% vacancy rate in the Boston area, it differs from New Hampshire in the amount of square footage available. J. McCormack asked about new construction versus turnover and refurbishment. J. DeStefano referred to the report saying the rates were broken down by sub-market and then by area. J. Akers said that rental rates were comparable to New Hampshire and described the activity. J. DeStefano said they have fourteen people out in the field and their antennas are everywhere, so we have a pretty good idea of who is looking and what their issues are. Engineers and general contractors are slower and there is a credit problem; however, there are definitely some pockets of manufacturing in southern NH, where there are busy companies who have solid pipelines and niche manufacturing operations that may be expanding eventually. Currently there are several in the Nashua area because they prefer being close to highway, close to Massachusetts, and close to the amenities. What we are trying to do is to whisper in everyone's ear about this land in Milford and that the Town might be aggressive in selling the land at a low price so long as they come down here with their operation to the TIF District. The cost of building new has been prohibitive over the last few years, but if they could get land at a very reasonable price, it could help with the economics. However, we still don't have any idea of how to accommodate development. There is a lot of land and we have some wetland survey information that is new, but

we're still hard pressed to be able to show interested parties any layout of buildings or access. We just don't have that level of engineering and we haven't found anyone so interested with the location that they will spend some of their own money to do so. We're still a little hamstrung and we try to mention this property in so many different areas, trade journals, the website and we'll be at the Souhegan Expo.

J. McCormack asked if there were any recent specifics available. J. DeStefano said they have had some fairly sensitive conversations but did not disclose any information. He then described the current market conditions. You can't build and occupy for less than \$8-\$10 triple net, while lease space is going for \$3 per ft triple net and renewal terms are becoming extremely aggressive with \$4 per ft plus utilities for functional solid industrial space. J. McCormack said one of the questions the Select Board had was what advantage Milford had versus potential disadvantages and how potential prospects would rate Milford. J. Akers said there has been no specific interest to even lead us to a showing at this point, so he didn't have an answer. J. DeStefano referenced a business in Nashua that has a specific niche and will be around for the next fifty years saying they would be a great candidate because the president lives in Amherst. Although the workforce is used to Nashua, that's the type of company we are making communication with, but that may take two to five years for completion. The enthusiasm regarding Milford is not there yet, but there are manufacturers all along the strip in Amherst looking to relocate. Right now they are looking towards Nashua not west, but in time that will change. J. DeStefano reiterated the point that without having some renderings or ideas as to how we're going to accommodate potential clients, we really don't have anything to move to that next step. J. Akers distributed copies of plans showing three general acreage sizes that took the buildable lots with setbacks and wetlands to show what can be put on each and where to say conceptually, this will work. B. Parker said this would not be a difficult thing to do with the overlays; the main constraint is just time but we will make it a high priority this fall. J. Akers said he put together a draft letter explaining the advantages for selective cutting for the Board to review. J. McCormack said that we have had discussion on the need to improve visibility. B. Parker said the visibility issue was made aware to the Town Administrator and DPW Director.

J. Akers said they are running the land in the New England RE Journal on the 12th and 19th and in the Union Leader. On a more national level they are reaching out to different data bases. J. Akers passed around a list of companies with 2,500 SF or less, here in the Souhegan Valley, that they have been mailing and calling to get feedback on future plans and they found several local companies looking to expand or move within the next couple years. J. DeStefano said it is clear that we've been very proactive and in the end it comes down to making relationship with these companies in the industry. Everyone locally knows that Jacob is involved with the Brox land. J. McCormack said we do recognize the effort and informed the Select Board that we're very impressed by Jacob's level of activity; so thank you for that.

A. Hicks commented that the listing for the TIF property also listed 100 acres of Res/Mixed use. B. Parker clarified that was the landlocked Trott property, which became controversial with the LandQuest interest. J. Akers added that the parcel relies on TIF property for access unless they went down through the Lorden property.

J. Langdell said people in the Souhegan Valley tend to lean towards Nashua, so have we looked at companies between Wilton/Temple and Marlborough that may want to move towards Nashua and we would be the next big stepping stone for them. Is there any interest? J. Akers said he was working on a project with tax assessment information where we targeted industrial businesses from Peterborough to Keene and yes there is a lot of trickle coming this way. J. DeStefano explained that they tackled this in phases; the Souhegan Valley direct, then expanded it out to Nashua, and then to Monadnock and Northern Massachusetts. Then we went to greater Manchester and greater Salem. We've identified 1,500 companies that extend out to include Keene that we send regular mail to or call.

Economic development planning / role of TIF Board

J. McCormack began by saying that this board has reached somewhat beyond our mandate regarding economic development. We have a website that gives a great deal of information, we entered into the partnership and it may be time to check back on that database, we received some very interesting information from Jack Dugan on the Monadnock Economic Development Corporation and it is time now to reassess our role as advisors to the Board of Selectmen. Janet and Bill have been doing work over the summer to make sure that any objectives we come up with are moving in direction of the majority, keeping in line with the consensus of the residents of Milford and the various stakeholders.

Summarization of 9/15/08 BOS meeting

Bill, Janet and I met with the Board of Selectmen to check our charter and our direction. We had good session as referenced in Bill's notes.

Jim Dannis played his usual questioning and challenging role.

- The Selectmen should have sense of where we go in terms of what the objective for economic development should be. The driver of the whole point is to manage the tax base more effectively and to try to make sure all the town services can be paid for and hopefully lessen the burden going forward by sharing a more active commercial development scene.
- A good number base; to look at the correlation of the trend of taxation rates for Milford and comparable communities and compare that data by industrial/commercial versus residential percentages. Discussion on the numbers went back and forth.
- Four key points
 1. Pressure to expand development along Amherst line,
 2. Being careful to not focus too much on development of the Brox property in our economic development effort,
 3. Be realistic on targets,
 4. The right driver; broadly based economic development and how we involve the community for input.

J. McCormack explained that our numbers came from the NH Economic Labor Market Information Bureau using 2006 data. We took ten communities; Portsmouth, Manchester, Keene, Nashua, Peterborough, Milford, Bedford, Amherst and Hollis, and ranked them according to the lowest percentage level of residential properties showing a reasonable correlation at full tax value. Portsmouth at 54% residential is at 13.76 per \$1,000. Hollis is at 95% residential is at 17.20 per 1,000 and while the tax rate may still be relatively low, the absolute tax value would be reasonably high and therefore the burden of services falls to residential. The one interesting anomaly is Keene with 66% residential but the tax rate is \$24.58. Milford is at \$17.00. It would be helpful to talk to Jack Dugan to give us a better understanding of Keene. At that session, Guy pointed out that you can't always compare numbers, which is why we will have to choose our targets and our communities carefully in terms of what we want to learn. Janet provided a set of figures on populations for towns comparable to Milford 10,000-15,000 population range and 15,000-18,000 population ranges. J. Langdell clarified that the figures were in response to Jim Dannis's reference to a group of towns comparable to Milford on the Local Government Center (LGC) data base, based on populations although she did not know how relevant that was in terms of other variables around what was really happening. J. McCormack said that is the point, you can find communities where the tax rate is much lower, but there may only be one stop sign in town and not much in the way of services. We also have to look at whether this will really help for taxpayer. Will we have to provide so much in the way of infrastructure and services that may take a long time for the investment to be returned and therefore not make sense. These are all valid points, so just having a bunch of numbers on their own will really not help us.

Kathy Bauer suggested that we look at models for economic development and use existing information out there by targeting the right communities.

In summary we need to show leadership and come up with an economic development plan that faces up to the challenges. The Board of Selectmen want to be able to evaluate investment opportunities and projects that bring life and vitality to the community and improve the tax base situation. However, it wasn't exactly clear in the minds of the Selectmen as to what form the economic development should take, or what it's make up should be.

Economic Development

B. Parker said he and Janet have discussed an economic development council at length; incorporating what the MIDC used to be and what the TIF Board does currently, although the TIF Advisory Board would still have to remain in place. The key is to get the community to buy into this, so we put together a timeline, which first focuses in on the business community to get their ideas and identify their issues. Building on that, we would then come up with a process whereby we would invite the community for discussion. We could advertise the session and also use the 5th Monday BOS meetings to invite people to come in and talk. Knowing this town and the fact that everybody likes to be involved, it is very important to develop a plan.

J. Langdell said the points made by Jim and Kathy at the BOS meeting were valid and it was good to see the Select Board thinking along the same lines as our small group. An Economic Development Council should be separate from the TIF Advisory Board but still have representation from groups around this Board. It is extremely important to look at the spectrum of broader economic development in Milford and including the impact on existing businesses such as agriculture and those around the Oval. G. Daniels said that his sense of the meeting was that the Selectmen were open to establishing an advisory council for economic development, but the gray area is where we start. We do need to talk to the businesses, but we also need to talk to the people to see what they want. We plan on doing a little advertising on PEG access for the next 5th Monday forum on the 29th. We would like people to think about Milford of the future and what would they like it to be. We should also get input from a group of citizens as well as the businesses and put both their ideas together. Then we can look at the cost to get there and what the tax rate would be, making adjustments and compromises to achieve the goal of lower taxes. J. McCormack reiterated Kathy Bauer's point that we don't have to reinvent the process, but could learn from other communities. It would be good to have a discussion with Jack about Keene to find how their process works and how their decision was based. G. Daniels said it would be interesting to talk to Keene and to Portsmouth on their different approaches because they seem to be on opposite ends of the spectrum as far as tax rates. J. Langdell said it would also be interesting to get numbers from towns that are similar to Milford to be able to hone in on other areas that might be good examples of the processes that work; Rindge, Jaffrey, Bedford. J. McCormack said he was hoping that the next conversation with Jack would shed some light on the smaller communities that MEDC is involved with. J. Langdell said we also have some feelers out to the Nashua Regional Planning Commission (NRPC) because they may have some good ideas as well. We have a lot of resources to tap into for information. G. Daniels said we may find the process similar for the all the communities under the MEDC because Jack has hand in guiding them. Checking with Nashua or other communities outside that group may show something very different. A. Hicks said we need to keep in mind that Jack Dugan is in a unique position. There is personal financial gain from his efforts, so we should keep in mind that it may not be Keene but rather Jack Dugan doing this. Milford doesn't have a Jack Dugan or his resources at the state to access and that is why he can help us. J. McCormack said Jack's key focus has been his successes. A. Hicks added that some of his successes resulted from situations that are unique to Keene.

G. Infanti said that the economic development groups are working aggressively and explained that Jack Dugan's counterpart recently spoke in Amherst and gave them the same presentation, that there is

money out there. G. Infanti also said there is development going on in this area and its local people; Skillings is looking to move their entire operation from Hollis to Amherst into the old Atomic Ski building. There is some positive energy in the Souhegan Valley and the Chamber of Commerce still seems to be going strong. We need to stick together in this area and have an aggressive business plan. We still have some successful businesses and that business community would have a sense of what their future needs are.

B. Parker said he did some research online to look at what other communities did for an economic development group. Concord's city council established their economic development advisory council made up of thirteen people from various areas. Dover and Goffstown have an official advisory group that acts through the Selectmen, much like the MIDC used to act. J. Langdell said what we are hoping for in this process is to first get a group of representatives from the business community; a nice diverse group to start dialog on what Milford's economic development policy should look like and what is needed. We're looking for folks who represent a regional perspective with local components. We could hold a whiteboard session to get key points and bring in something for people to react against. From there, we would get the residents together and then come up with a diverse representative "working" group to form the nucleus of an advisory council. G. Infanti said Amherst has been working on a master plan for about a year and only now are the people coming out, after all the work that has been put in so far, to say what should and shouldn't be done. So Amherst did one more survey and received about 180 responses. Some of the questions were where do you want to see future growth and where don't you want to see it and the responses were typical. He offered to get a copy of the survey for everybody. B. Parker said we've done a great deal of that for the Community Character chapter of our Master Plan, including the survey. We just finished the Facilities Chapter of our Master Plan, which included quite an involved citizens' participation process, so there is a lot to build on. G. Infanti ended a brief discussion on affordable housing by saying that it is a mindset, not reality and it gets very frustrating. You will need a strong group to get this off the ground.

A. Hicks said speaking from his MIDC experience, which has been relatively inactive for the past couple of years, one of the problems with the MIDC was that it was not a town group and we didn't report to the Board of Selectmen. We were our own board and could do as we saw fit. Maybe the coordination with the Board of Selectmen is not what we should be going after. Maybe it would be more beneficial if the TIF Board or something like it is organized to work with the Selectmen. J. McCormack said we need to leave the TIF Board as is, but certainly have representation from this group. It again comes back to not re-inventing the wheel and bringing in some ideas of what works with comparable communities. We need to plan some visits to businesses within the community. G. Daniels said last year he tried to float a legislative bill designating Milford as part of the Souhegan Valley, but it didn't fly because the state has us broken up differently and we are considered part of the Merrimack Valley. So that may still be something we want to look at and get a claim to fame of our own. J. Langdell said she agreed, especially when she looked back to the material available from the 30's and 40's proudly shouting the Souhegan Valley gateway to the Monadnock.

There was discussion pertaining to Amherst and Bedford development. J. Langdell noted that the Walgreens in Bedford was in an historic district with design standards. G. Infanti said that's where we are ten years behind the times. J. Langdell said those are the tools the Planning Board is looking for. We need to define what we want it, where we want it, and why we want it so we can get to the how's and improve our tool kit. T. Wilson said that he would like to see one of the outcomes of the business session to be how do we the business people communicate to our folks that live in Milford to make sure that they participate.

K. Chambers said she has heard some of the same things today that were discussed at MIDC meetings for years. You are getting the data and there is a ton of work to do, so you have to applaud the efforts in

that direction, but you also have to wait until this idea's time has come. B. Parker said a good example is that we have the corridor overlay district design standards now in place, but there hasn't been a single application because of the economy. J. Langdell added that the ZBA has been using those standards to consider some cases recently. K. Chambers said it will be an interesting mix now that Milford is in the MEDC. In the past, we had an interested party for that land and we were looking at some financing options, but it was difficult for Milford to access that state funding. Competition within the group is important and it will be interesting to be one of the larger communities in this new group. If you think Keene is built out and land is no longer available, people will be looking towards Peterborough and east, so when we do get in position where we are ready to develop and are looking for some funding, our competitive spot within the group might be better.

M. Trojano said as parting words we have his prayers for an economy that turns around and renewed interest in this property. The Brox property has no infrastructure, but the conceptals show there might be ample sources of water out there with this being partly on the aquifer. Water may be one way to reduce the cost of developing that infrastructure and it may be worth some consideration to create a water source. J. McCormack said based on previous discussions with the Water and Sewer commissioners, the sewers would not be a problem, but water would be dependant on the particular user and whether it would be a process user or not. B. Parker said working with the Commissioners will be very important and we do need their support for economic development with the expansion of utilities. They're actively looking for additional water sources and have found some good water out on the Brox property, closer to the Beaver Brook end, plus they want to get the road out to the school.

J. Langdell said the only change to the proposed schedule would be adding the 5th Monday BOS open forum date of the 29th. The more the BOS is putting out there to start generating some ideas from the public, the more we information we can filter it into this process. Discussion regarding advertising followed. B. Parker added that the Selectmen were asked to come back with some key questions. G. Daniels said they would choose half a dozen questions that would generate discussion. J. Langdell it might be helpful if those questions could be sent by email prior to the meeting. B. Parker said it could also go on the home page of the website.

B Parker said deadlines and projects are winding down from over the summer and getting the site plans to Jacob is probable by the next meeting. J. Langdell said she has an additional list, ranking the top twenty-five towns by populations, which we can build on and see who has had successes and we could talk to Jack about his ideas. J. McCormack said we can then have some discussion on the three to four communities selected and look at the key points where they had successes with their process and where they have come to.

Development Update:

No discussion.

Other business:

- **Next meeting**

The next meeting was scheduled for Thursday October 30th at 7:30 AM.

The meeting was adjourned at 8:50AM.

To do items:

- ⇒ Brox priorities
 - Engineering conceptals and overlays
 - Selective tree clearing
 - Write articles for local publications
 - Wetlands study completion
- ⇒ Master plan update
 - Assist Planning Board
 - Identify groups to participate and market master plan update
 - Meet with other communities to discuss their economic development plans and TIF
- ⇒ Vacant lands inventory
- ⇒ Board of Selectmen
 - Provide quarterly updates
 - Introduce Jack Dugan and Monadnock Economic Development Corporation (MEDC)
- ⇒ Meet with MEDC to discuss action plan and involvement
- ⇒ Meet with Water and Sewer Commissioners re: their long term plans

Continuing items:

- ⇒ Website
- ⇒ Education and exposure
- ⇒ Maintain an on-going progress file.
- ⇒ Meet with developers.
- ⇒ State support
- ⇒ Continuous revisions/updates to the Economic Development Self Assessment survey